

Friday 10 January 2025 – Morning

Level 1/Level 2 Cambridge National in Enterprise and Marketing

R067/01 Enterprise and marketing concepts

Time allowed: 1 hour 15 minutes



You can use:

- a calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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Candidate number

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First name(s)

Last name

INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.

INFORMATION

- The total mark for this paper is **70**.
- The marks for each question are shown in brackets [].
- This document has **16** pages.

ADVICE

- Read each question carefully before you start your answer.

Section A

Put a tick (✓) in the box next to the **one** correct answer for each question.

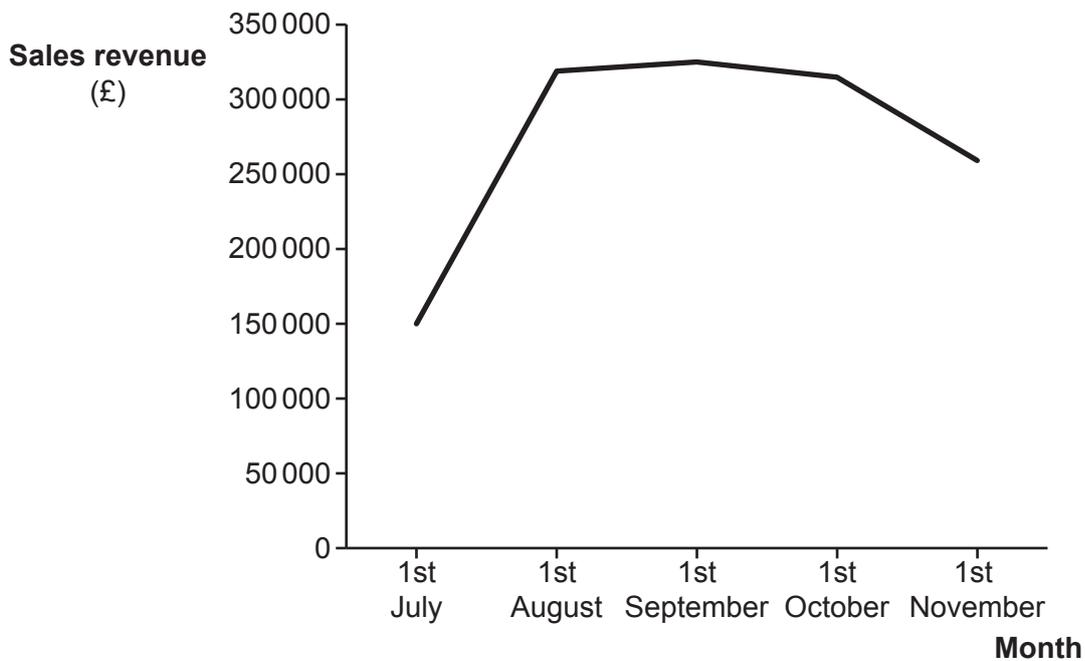
- 1 Anika works as a manager. She is paid a fixed amount of income on the last day of each month.

What type of fixed cost is this?

- (a) Profit
(b) Rent
(c) Salary
(d) Wage

[1]

- 2 Sales figures for a product are shown in the diagram.



At which stage of the product lifecycle is the product on the 1st September?

- (a) Decline
(b) Growth
(c) Introduction
(d) Maturity

[1]

3 Who would be **most** likely to offer employment law advice?

(a) Accountant

(b) Bank manager

(c) Franchisee

(d) Solicitor

[1]

4 What is **not** an example of a sales promotion technique?

(a) 10% discount off the price

(b) Buy one get one free (BOGOF)

(c) Product trials

(d) Psychological pricing

[1]

5 What is an **advantage** for an owner of a private limited company?

(a) Financial accounts are private

(b) Personal assets are not used to pay company debts

(c) Profits do not have to be shared

(d) Unlimited liability

[1]

6 Alex buys and sells handbags. Each handbag costs Alex £20. In December Alex sold 15 handbags with a total revenue of £675.

What is the selling price for each handbag?

(a) £20

(b) £25

(c) £33

(d) £45

[1]

- 7 Zac runs a business that sells ice creams. The selling price of each ice cream is £1.80 and the variable cost to make each one is £1.00. Zac's fixed costs are £12 000 per year.

$$\text{Break-even formula} = \frac{\text{fixed costs}}{\text{selling price per unit} - \text{variable cost per unit}}$$

How many ice creams does Zac need to sell each year to break-even?

- (a) 1250
(b) 4286
(c) 6667
(d) 15 000

[1]

- 8 What is a secondary market research source?

- (a) Focus group
(b) Internal data
(c) Radio advertising
(d) Test marketing

[1]

- 9 Who would **most** likely provide finance for a business enterprise to encourage economic growth?

- (a) Accountant
(b) Chamber of Commerce
(c) Local council enterprise department
(d) Solicitor

[1]

- 10 A business earns revenue of £12 500. Its fixed costs are £7800 and variable costs are £3000.

How much profit does the business make?

- (a) £1700
(b) £2700
(c) £4700
(d) £9500

[1]

Section B

Read the scenario. Use the scenario to answer the questions in Section B.

You have always liked to make cakes for your family and friends to enjoy. At the start of 2024, you decided to set up a small business making celebration cakes. You sell them through a social media marketplace site. Your cakes include a range based on characters found in popular movies.

You rent a kitchen in your village hall to bake the cakes and personally deliver the cakes by car to customers' homes within a 20-mile radius. All cakes are presented in a box which includes your business logo.

11 All entrepreneurs take a risk when setting up a new business.

(a) State **two** potential drawbacks of taking the risk to set up a new business.

1

2

[2]

(b) Different characteristics can help an entrepreneur to be successful.

Identify **one** characteristic that would help you to be successful in each situation:

- thinking of new cake designs

.....

- explaining the different cake designs to your customers

.....

- not giving up when a new competitor takes some of your loyal customers.

.....

[3]

14 To launch the business you made decisions about each element of the marketing mix.

(a) State **two** elements of the marketing mix.

1

2

[2]

(b) Explain **one** example of how the elements of the marketing mix could work together for your cake business.

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..... [2]

15 Analyse **two** disadvantages of selling your cakes through a social media marketplace site.

Disadvantage 1

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Disadvantage 2

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[6]

16

(a) Identify **two** variable costs of operating your cake business.

1

2

[2]

(b) In August, your total costs were £8000 and variable costs were £3250.

Calculate the fixed costs in August.

Show your workings.

Answer £

[2]

(c) You sell three sizes of cake – small, medium and large.

| | Price |
|---------------|--------|
| Small | £12.00 |
| Medium | £20.00 |
| Large | £26.00 |

In September, you sold five small cakes, ten medium cakes and eight large cakes.

Calculate the total revenue earned in September.

Show your workings.

Answer £

[5]

Turn over

17 You regularly carry out market research.

(a) Explain **two** purposes of market research for your cake business.

Purpose 1

.....

Explanation

.....

Purpose 2

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Explanation

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[4]

(b) Each customer is sent a link to an online questionnaire two days after receiving their cake.

Analyse **two** advantages of using an online questionnaire for your cake business.

Advantage 1

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Advantage 2

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[6]

18 You set the price of the cakes based on the prices charged by other firms in the industry.

(a) What is this pricing strategy called?

..... [1]

(b) Other than the prices charged by other firms, explain **two** factors to consider when setting a price for your cakes.

Factor 1

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Explanation

.....

Factor 2

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Explanation

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[4]

19 Now that you have been running your business for a year you have access to a lot of cost and revenue information.

Explain **two** uses of break-even information to help you run your cake business.

Use 1

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Explanation

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Use 2

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Explanation

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[4]

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END OF QUESTION PAPER

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